

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR
PUERTO RICO, as representative of

THE COMMONWEALTH OF
PUERTO RICO, *et al.*

Debtors,¹

PROMESA

Title III

No. 17-BK-3283 (LTS)

(Jointly Administered)

**MOTION TO INFORM OF THE AD HOC GROUP OF FGIC INSURED
NOTEHOLDERS IN CONNECTION WITH FINANCIAL GUARANTY INSURANCE
COMPANY'S MOTION (I) ASSERTING THE RIGHT TO VOTE CERTAIN CLAIMS
PURSUANT TO SECTION 301 OF PROMESA AND (II) SEEKING TEMPORARY
ALLOWANCE OF THE CLAWBACK CLAIM FOR VOTING PURPOSES PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 3018**

To the Honorable United States District Court Judge Laura Taylor Swain:

Taconic Capital Advisors LP, Aurelius Capital Management, LP, Canyon Capital Advisors LLC, First Ballantyne LLC, and Moore Capital Management, LP (collectively, the "Ad Hoc Group of FGIC Insured Noteholders")² respectfully submits this motion to inform in connection with *Financial Guaranty Insurance Company's Motion (I) Asserting the Right to Vote Certain Claims Pursuant to Section 301 of PROMESA and (II) Seeking Temporary Allowance of the Clawback Claim for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018*

¹The Debtors in the various Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Each member of the Ad Hoc Group of FGIC Insured Noteholders files this motion to inform exclusively on its own behalf and does not assume any fiduciary or other duties to any other member or to any other entity or individual.

(Case No. 17 BK 3283-LTS, ECF No. 17315) (the “Motion”).³ Without taking any substantive position on the Motion, the Ad Hoc Group of FGIC Insured Noteholders respectfully brings the following facts to the attention of the Court:

1. In paragraph 46 of the Motion, Financial Guaranty Insurance Company (the “Movant”) quotes the statutory language of PROMESA Section 301(c)(3)(B) as follows: “the term ‘holder of a claim or interest’ ‘shall mean the monoline insurer insuring such Insured Bonds for purposes of directing remedies or consenting to proposed amendments or modifications as provided in the applicable documents pursuant to which such Insured Bond was issued and insured.’” *See* Motion ¶46. In fact, the actual statutory language of PROMESA Section 301(c)(3)(B) is as follows: “[t]he term ‘holder of a claim or interest’ ... (B) with reference to Insured Bonds, shall mean the monoline insurer insuring such Insured Bond **to the extent such insurer is granted the right to vote Insured Bonds** for purposes of directing remedies or consenting to proposed amendments or modifications as provided in the applicable documents pursuant to which such Insured Bond was issued and insured.” The “to the extent” phrase deleted by the Movant (without ellipses) could be understood as limiting the insurer’s rights under PROMESA Section 301(c)(3)(B) to the specific consent rights stated in the relevant insurance policy rather than as an expansion of such rights beyond those explicitly stated in the policy.

2. Further, the Movant claims 100% ownership of CUSIPs 74514LJU2, 74514LNF0, and 74514LNG8, *See* Motion Sched. 1, but such a claim of ownership appears to be erroneous since members of the Ad Hoc Group of FGIC Insured Noteholders claim ownership of approximately \$45.9 million of such bonds. The Ad Hoc Group of FGIC Insured Noteholders also claim ownership of certain amounts of bonds in the other CUSIPs listed by the Movant but cannot ascertain whether the percentage ownership claims of these CUSIPs by the Movant are correct given the information set forth in the Motion.

³ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion unless otherwise noted.

Dated: July 19, 2021

Respectfully submitted,

CÓRDOVA & DICK, LLC

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- and -

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CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

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